

BUDGET LETTER

NUMBER: 04-24

SUBJECT: 2005-06 SALARIES AND WAGES GALLEY
(AUTHORIZED POSITIONS & COST ESTIMATES)

DATE ISSUED: AUGUST 20, 2004

REFERENCES: GOVERNMENT CODE SECTION 12439

SUPERSEDES: BL 03-28

TO: Departmental Budget Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL PERSONNEL OFFICERS.

This Budget Letter (BL) provides departments with information on a **NEW** process for preparing the 2005-06 Salaries and Wages Galley (Schedule 7A). Beginning this fall, **ALL** departments must submit the Salaries and Wages information using an electronic worksheet. In addition, departments must also submit the Personnel Years System worksheet in an electronic format. The electronic spreadsheet document is available on the Department of Finance (Finance) Budget Letters website.

Finance is offering training on this **NEW** process in August. An email notification of class registration information was sent to departments on July 19, 2004. To register for upcoming classes, see the Internet website:

<http://www.dof.ca.gov/Training/BudgetProcess/courselist.asp>

Classes will be filled on a first received basis. This no-cost training is mandatory for all departments.

Note: Departmental Budget Officers will receive a hard copy of this BL with the initial 2005-06 Salaries and Wages galley. This is the last year for the 11 X 17 inch initial Salaries and Wages galleys. These galleys must be used by each department to create the electronic spreadsheets.

I. SALARIES AND WAGES GALLEY

Departmental Budget Officers will receive two copies (**control proof copy and departmental preliminary copy**) of the initial Salaries and Wages galley (Schedule 7A) prepared from State Controller Office's (SCO) payroll records of "Established Positions" adjusted to reflect departmental input on the Finance Conversion Code Report (FCC) for formatting, sequencing of data, and printing of totals. These manual 11 x 17 inch galleys will be provided to departments for the **initial pass only**. These galleys must be used by each Department to create the electronic spreadsheet.

New Process: Beginning this year, departments are now responsible for creating an electronic spreadsheet Salaries and Wages galley. The Excel spreadsheet workbook, available on the Finance website, contains two worksheets. The first worksheet contains the Personnel Years System document. Departments must update the worksheet for Civil Service, Constitutional, Statutory and Exempt positions. The second worksheet contains the shell spreadsheet to build the Salaries and Wages position and salary information. The basic format of the shell spreadsheet must not be changed. Additional information will be provided during training.

The hard copy galley documents provided by OSP will no longer be available to departments after the first pass. Beginning this year, and ongoing thereafter, departments will be responsible for maintaining their position and salary information from year to year on an Excel spreadsheet. Departments must reconcile position and salary information, **complete and return the following documents to your Finance analyst for the First Pass by Wednesday, September 15, 2004:**

- Control proof manual hard copy (**do not manually update**)
- Hard copy of the Salaries and Wages worksheet
- Hard copy of the Personnel Years Systems worksheet
- Electronic version of the Salaries and Wages worksheet
- Electronic version of the Personnel Years System worksheet

ALL FINAL documents must be submitted to your Finance analyst by Monday, November 1, 2004.

II. STATE CONTROLLER REPORTS

The SCO has released directly to departments the following reports:

- Finance Conversion Code Report
- Schedule 8 Tabulation
- Supplemental Schedule 8 Tabulation
- Supplemental Schedule 7A Tabulation
- Abolished Vacant Position Report
- Blanket Position Expenditure Report

All adjustments made to these tabulations **must be recorded on the Salaries and Wages spreadsheet galley** in accordance with the guidelines outlined in State Administrative Manual (SAM) Sections 6415, et seq. Attachment A describes the documents used by departments to develop the Salaries and Wages Supplement. Attachment B describes the steps to adjust the initial Schedule 7A to the correct authorized amounts.

III. SALARIES AND WAGES PREPARATION

Departments must comply with the following instructions:

1. **Employee Compensation Program**—The Budget Act includes funding for the salary increases that were deferred last year when bargaining units agreed to the Personal Leave Program and the offset of retirement contributions. Adjustments to department budgets relating to the 5-percent salary increase will be addressed in a subsequent Employee Compensation BL.
2. **Career Executive Assignment (CEA) Positions**—The initial Schedule 7A galley reflects all CEA positions separated by each CEA level (e.g., CEA I, CEA II, etc.). All CEA salary ranges reflect the minimum/maximum of the CEA broadband. The salary range for all CEA positions must be updated to reflect the appropriate salary range by level (i.e., CEA I = \$5,493 - \$6,975; CEA II = \$6,954 - \$7,668; CEA III = \$7,648 - \$8,432; CEA IV = \$8,025 - \$8,845; CEA V = \$8,493 - \$9,362).

3. **Merit Salary Adjustments (MSA)**—MSA expenditure projections are included on the Schedules 8 and 7A, excluding CEA positions. CEA positions do not have an MSA expenditure projection included on the Schedules 8 and 7A. No statewide funding has been provided in the 2004 Budget Act for MSAs, and any costs incurred by departments must be absorbed from within existing resources.
4. **Permanent Employees**—Generally, all permanent employees (full-time and part-time) must fill established positions and not be budgeted in blanket authorizations.
5. **Salary Range**—The salary range on the initial Schedule 7A galley reflects the minimum and maximum salary rates for each classification. Generally, all classifications include a corresponding salary range. However, when a classification exists without a salary range, departments must insert the appropriate minimum and maximum salary rates.
6. **Partial-Year Authorizations**—Positions that are authorized for less than a full fiscal year must reflect the **net position count** and the **net associated dollars**.
7. **Temporary Help Authorizations—Display personnel years for all three years**, including personnel years for student assistants, seasonal, and other personnel used for temporary purposes. Do not include permanent employees (full-time or part-time) other than permanent intermittent in the Temporary Help authorizations.
8. **Overtime**—Budget as a separate line entry. **Do not** display personnel years for overtime.
9. **Blanket Authorizations**—Departments no longer need to submit STD. 607s through Finance to establish blankets for payment of temporary help, overtime, etc. The SCO no longer controls expenditures from established blankets to any specified funding level. Each department, however, should establish internal controls and continue to monitor all blanket expenditures to ensure that expenditures do not exceed budgeted funds. The SCO will continue to pay from blankets and submit monthly and year-end blanket expenditure reports to each department.
10. **Reorganizations**—Only those approved reorganizations that were reflected in the updated FCC report issued by the SCO have been included in the initial Schedule 7A galley. Any subsequent reorganizations which are proposed for the 2005-06 Budget must first be approved by Finance. Upon approval, the reorganizations must be reflected in the Changes in Authorized Positions schedule in a **condensed version** rather than through extensive changes to the Schedule 7A.
11. **Limited-Term Positions**—A limited-term position is any position that has been authorized for a specific length of time with a set termination date. Departments must list all limited-term positions at the end of their Salaries and Wages presentation in footnote format following the “**Continuously Vacant Positions Abolished by the SCO per Government Code Section 12439**” display.
12. **Continuously Vacant Positions**—Chapter 1124, Statutes of 2002, made major changes to Government Code Section 12439 (GC 12439) relating to the abolishment of continuously vacant positions. The major changes include:
 - SCO will identify and abolish positions that are vacant for six consecutive monthly pay periods, irrespective of fiscal years. The rolling six months began July 1, 2002.
 - Departments can self-certify reestablishments by August 15 for positions that meet specified conditions during the vacancy period.

- Departments may not execute any personnel transactions for the purpose of circumventing the provisions of the section, e.g., 120 transactions.
- Each department is required to include information discussing its compliance with this section when it prepares its report pursuant to Section 13405.

On July 1 of each year, the SCO will abolish the continuously vacant position(s). These abolished positions will not appear on the Schedule 8 or initial 7A. The SCO generated an initial listing for departments in mid-July. The positions identified for abolishment can be eliminated from the abolishment listing for any SCO technical errors, departmental self-certifications of positions to be exempted from the abolishment, or any Finance authorized reestablishments meeting specified criteria.

13. **Vacant Positions on Schedule 7A**—Departments must budget vacant positions at the first step of the appropriate classifications, except for positions within interchangeable classes.
14. **Vacant Positions within Interchangeable Classes**—For interchangeable classes, departments must budget vacant positions at the minimum step of the: (a) lowest salary range for groups consisting of two classes; (b) middle salary range for groupings which contain an odd number of classes; or (c) lowest salary range of the lowest classification of the two middle classes for groupings which contain an even number of classifications in excess of two.
15. **Subtotals**—The following subtotal lines have been included on the 7A galleys following the department's "Totals, Authorized Positions" line as follows:
 - Regular/Ongoing Positions
 - Temporary Help
 - Overtime
16. **Personnel Years System Worksheet**—Departments will receive a Personnel Years System Worksheet as part of the spreadsheet document attached to this Budget Letter. The information provided on these worksheets is used to develop Summary Schedule 4 (Personnel Years and Salary Cost Estimates) for inclusion in the 2005-06 Governor's Budget Summary. The personnel years and dollar amounts for civil service (including all blankets); statutory; constitutional; and exempt are to be computed by departments and inserted on the Personnel Years System Worksheet. Dollar amounts on the worksheet must be **in thousands**.

It is the department's responsibility (department head or designee) to **sign each worksheet** to certify that existing positions established on the SCO position roster, as amended by the appropriate department payroll and position documents, reflect the approved program. Certification to the SCO is no longer required (SAM Section 6521).

17. **Standard Abbreviations (Attachment C)**—Departments must use this listing when preparing the Salaries and Wages galley.

ALL Salaries and Wages documents must be submitted by September 15, 2004 (First Pass) and November 1, 2004 (FINAL Pass). Please remember to submit as backup documentation, the Schedule 8 List of Errors (SAM Section 6429) and the Schedule 8 Summary to your Finance analyst.

If you have any questions regarding the Salaries and Wages galley, please contact your Finance Budget Analyst. If you have any questions regarding the new process, the Spreadsheet shell document or the Personnel Years System Worksheet, please contact Teresa Bierer or Lajunta Inman at (916) 322-5540.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachments

**DOCUMENTS USED IN THE DEVELOPMENT
OF THE SALARIES AND WAGES SUPPLEMENT**

Finance Conversion Code (FCC) Report—The FCC Report and instructions were released to State departments by the State Controller's Office (SCO). Departments were requested to review this report and make all required changes to enable the SCO to arrange the information from the Uniform State Payroll System database to prepare the electronic file for printing the Salaries and Wages Schedule 7A galleys. Proper updating of the FCC Report ensures that galleys will be in the desired format with proper sequencing, indentations, and totals, which will eliminate and/or minimize manual changes on the galleys at a later date.

Schedule 7A Galley—The Schedule 7A galley represents a summary listing of all authorized regular/ongoing positions by classification within each reporting unit from the SCO payroll records of "Established Positions". Essentially, the 7A galley proof summarizes the Schedule 8 detailed information. (The total number of positions on the initial Schedule 8 equals the combined totals shown on the initial Schedule 7A and Supplementary Schedule 7A.)

Supplementary Schedule 7A—This listing provides information on positions and expenditures which were not included in the initial Schedule 7A because the Agency/Reporting Unit Codes were not shown on the FCC Report described above. Departments must manually add the information on the Supplementary Schedule 7A to the initial Schedule 7A.

Schedule 8—A listing of approved established regular/ongoing positions with related personnel information, including past-year expenditures by class code and estimated expenditures for the current and budget years for each position. (The total number of positions on the initial Schedule 8 equals the combined totals shown on the initial Schedule 7A and Supplementary Schedule 7A.)

Supplementary Schedule 8—A listing of current and budget years information on employees for which there are no established positions (by Form 607 action) to continue beyond June 30 of the past-year, or for those positions with a non-existent class code. Past-year expenditures, if any, for these employees are displayed on the Schedule 8.

Personnel Years System Worksheet—A document completed by each department reflecting the total number of Civil Service, Constitutional, Statutory, and Exempt positions authorized for the current year as reported in the current (2004-05) Salaries and Wages Supplement publication. The current authorized level is continued into the budget year (2005-06).

The Personnel Years System Worksheet is to be updated as necessary and returned to Finance attached to the Schedule 7A. To complete the Personnel Years System Worksheet, the department budget offices must:

1. Update by increasing or decreasing the respective authorized levels based on recent constitutional or statutory changes.
2. Report Past-Year Personnel-Years expended based on Schedule 8 reports from the SCO (include all blankets).
3. Insert authorized civil service positions (include all blankets).
4. Add and post position totals.
5. Correct and update "Expenditures" columns (**in thousands**) to correspond with changes for "Personnel-Years" and "Positions." Overtime has no Personnel Year count, but is included in dollars.

6. The "Totals, Authorized Positions" line (both positions and dollars) must agree with the totals on the completed Schedule 7A. These totals must be the same as the "Authorized Positions" lines in the Summary-by-Object and Changes in Authorized Positions schedule in the budget galley.
7. Sign each worksheet to certify that the authorized positions reported reflect the approved program.

Continuously Vacant Position Report—Beginning July 1, 2002, any State position that is vacant for six consecutive monthly pay periods are to be abolished by the SCO on the following July 1. The six consecutive monthly pay periods may occur entirely within one fiscal year or between two consecutive fiscal years.

Blanket Position Expenditure Report—A listing of established blanket numbers (for overtime, temporary help, seasonal, etc.) with the corresponding dollars and personnel years expended, and the remaining balance.

Standard Form 607—Form 607 position documents received by the SCO by June 15 are normally reflected on the SCO's reports.

Schedule 8 Summary Reconciliation—This summary schedule is prepared by departments to reconcile the total authorized number of positions listed in the 2004-05 Governor's Budget as amended by the Final Change Book. Differences in the number of positions are to be explained with references to documents which support the changes (see SAM Section 6448).

Payroll Certification Notice—Upon completion of the Schedule 8 Summary reconciliation, departments (department head or designee) must sign the Personnel Years System Worksheet to certify that existing positions established on the SCO position roster, as amended by appropriate department payroll and position documents, reflects the approved program. Certification to SCO is no longer required (see SAM Section 6521).

**STEPS TO COMPLETE
SALARIES AND WAGES SUPPLEMENT**

All of the documents described in Attachment A are used in the development of the final Salaries and Wages Supplement. The following basic steps illustrate the reconciliation process for position totals between the initial Schedule 7A galley and the final printed Salaries and Wages Supplement.

	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
Initial Schedule 7A	XXXX	XXXX	XXXX
Adjustments from Supplementary Schedule 7A as Appropriate:	+ X	+ X	+ X
Subtotals (Equals Initial Schedule 8)	<u>XXXX</u>	<u>XXXX</u>	<u>XXXX</u>
Adjustments from Supplementary Schedule 8 as Appropriate:		+ X	+ X
Add Blanket Positions	+ X	+ X	+ X
Add Back Abolished Positions			
“Continuously vacant” positions which were erroneously dropped but subsequently added back as a technical correction. (Display at the bottom of the Schedule 7A galley the remaining vacant positions abolished pursuant to the provisions of Government Code 12439.)		+X	+ X
Position changes (increase or decrease) per Legislature and Governor's vetoes (Change Book)		<u>± X</u>	<u>± X</u>
Totals -- These amounts must reconcile to the position totals in the previous Governor's Budget as adjusted by the position changes in the Final Change Book. Any difference must be footnoted on the Schedule 7A galley.	<u>XXXX</u>	<u>XXXX</u>	<u>XXXX</u>

POSITION CLASSIFICATION ABBREVIATIONS

<i>Word</i>	<i>Abbreviation</i>	<i>Word</i>	<i>Abbreviation</i>	<i>Word</i>	<i>Abbreviation</i>
academic year	acad yr	Electrical	elec	organization	org
account(s)	acct(s)	electronic data processing	EDP	personnel	pers
accounting	acctg	employee and		physical	phys
administrative	adm	employer	emp/emp	planner	plnr
administration	admin	employment	empt	planning	plan
advisor	advr	engineer	enr	power	pwr
affairs	affs	engineering	engrng	prevention	prev
affirmative	aff	environment	envirn	principal	prin
agricultural	agric	environmental	envirntl	processing	proc
agriculture	agri	equal employment		production	prod
and	&	opportunity	EEO	professional(s)	prof(s)
appliance	appl	equipment	equipt	program(s)	pgrm/prog(s)
appointment	appt	evaluation	eval	project	proj
apprentice	apprnt	examination	exam	property	prop
assessment	assess	executive	exec	psychiatric	psych
assistant	asst	federal	fed	public	pub
associate	assoc	federal fund	FF	recreation	recre
attorney	atty	field	fld	record(s)	recd(s)
automotive	auto	general	gen	registration	regis
bilingual-bicultural	bi/bi	government	gov	regulatory	reg
biology	biol	governmental	govtl	rehabilitation	rehab
board	bd	handicap	hdcp	reimbursement	reimb
branch	br/brch	health	hlth	representative	rep
building	bldg	high occupancy vehicle	HOV	reproduction	reprod
bureau	bur	highway	hwy	residential	res
business	bus	hospital	hosp	retirement	ret
Dept. of Transportation	Caltrans	hydraulic	hyd	river	rvr
calculator	calc	hydroelectric	hyd	secretary	secty
captain	capt	identification	id	section	sec/sect
career executive		information	info	senior	sr
appointment	CEA	inheritance	inh	sergeant	sgt
center	cntr/ctr	inspector	insp	service	serv
certification	cert	institutional	instl	social	soc
chemistry	chem	instruction	inst	southern	so
clerk	clk	instructional	instl	specialist	spec
compensation	comp	insurance	ins	standards	stds
conservation	cons	intergovernmental	intergovtl	statistics	stat
construction	constrn	intermediate	inter	stenographer	steno
control	cntrl	international	intntl	subdivision	sub
coordinator	coord	junior	jr	superintendent	supt
corporate	corp	laboratory	lab	supervising	supvng
corrections	corrs	leadership	ldrshp	supervisor	supvr
correctional	corr	level of care	LOC	supervisory	supvry
county	co	licensing	lic	system(s)	sys(s)
criminal	crim	lieutenant	lieut	tabulating	tab
curriculum	curr/curric	machine	mach	technical	tech
data processing	DP	maintenance	maint	technician	techn
department	dept	management	mgt/mgmt	technology	tech
departmental	deptl	manager	mgr	telecommunication	telecomm
deputy	dep	managerial	mgrl	teletypewriter	TWX
determination(s)	determ(s)	mechanical	mech	television	TV
development	dev/develmt	medical	med	training	trng
developmental	develmtl	member	mbr	transactions	trans
disability	dis	month	mo	transportation	transp
dispatch	disp	mountain	mt	typing	typ
district	dist	nonsupervisory	nonsupvry	veterinary	vet
division	div	occupational	occ	vocational	voc
drafting	drftg	office	ofc		
duplicating	dup	officer	off/ofcr		
economic	econ	operations	ops/oper(s)		
education	ed/educ	operator	opr		